

WASHINGTON, D.C.— Following months of work by Congressmen Jim Costa (D-Fresno) and Dennis Cardoza (D-Atwater), the USDA announced today that it will activate a far-reaching subsidy program that has been sought by Valley dairy operators since last year when the industry was hit with significant economic challenges. Agriculture Secretary Tom Vilsack made the announcement this morning in Washington, DC.

“Dairy families in our Valley are struggling to stay in business. They’ve endured high feed prices, surging fuel costs and declining markets due to the economic downturn. This announcement could not have come at a more important time,” said Costa.

“This is a tremendous win for the San Joaquin Valley. Agriculture is the life blood of our economy and this will significantly reduce the stark gap between revenue and expenditures for our struggling dairy operators,” said Congressman Cardoza.

The Dairy Export Incentive Program (DEIP) helps U.S. dairy exporters compete with prevailing world prices. It also encourages the development of international export markets in areas where U.S. dairy products cannot compete due to subsidized dairy products from other countries.

According to USDA, the DEIP allocations of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses and 34 metric tons of other dairy products, as well as individual product and country allocations will be made available through Invitations for Offers. Country and region quantities may be limited by the invitation.

In the past year, dairy operators in the San Joaquin Valley have been hard hit by falling milk prices and increased operating costs. They have specifically requested that the Department of Agriculture activate the far-reaching DEIP, which had not been in effect since 2004 because market conditions were relatively strong until last year.

“This is going to go a long way in returning the health of the industry,” said Ray Souza, President of Western United Dairymen. “Congressmen Cardoza and Costa have been working on this issue for some time and have been champions for us. Without their work we wouldn’t

be where we are today.”

Congressmen Costa and Cardoza first raised the concerns over dairy prices and DEIP during a meeting with Agriculture Secretary Vilsack in February, shortly after his appointment by President Obama. They continued to air the issue with subsequent letters and repeated phone calls to the USDA and to Secretary of State Hillary Rodham Clinton.